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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

A1608008

Application of Tel-One Network Services, Inc. for a Certificate of Public Convenience and Necessity to Operate as a Competitive Local Carrier ("CLC") in order to Provide Facilities-Based High-Speed Fiber-Optic-Based Broadband Services (50 megabit and higher) to Residential and Business customers within the City and County of San Francisco.

Application No.

**APPLICATION OF TEL-ONE NETWORK SERVICES, INC.  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY  
TO OPERATE AS A COMPETITIVE LOCAL CARRIER ("CLC") TO  
PROVIDE FACILITIES-BASED BROADBAND SERVICES**

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Dated: August 16, 2016

Application of Tel-One Network Services, Inc.  
for a Certificate of Public Convenience and  
Necessity to Operate as a Competitive Local  
Carrier (“CLC”) in order to Provide Facilities-  
Based High-Speed Fiber-Optic-Based Broadband  
Services (50 megabit and higher) to Residential  
and Business customers within the City and  
County of San Francisco.

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**Application of Tel-One Network Services, Inc.**

Pursuant to Article I of Chapter 5 of the Public Utilities Code (Section 1001 et seq.), Tel-One Network Services, Inc. (“Applicant” or “Tel-One”) hereby requests that the Commission issue a Certificate of Convenience and Necessity (“C.P.C.N.”) authorizing Applicant to operate as a Competitive Local Carrier (“CLC”) so that it can provide high-speed fiber-optic-based Broadband Services (50 megabit and higher) to residential and business customers within the City and County of San Francisco, as defined by the U.S. Census Bureau Tracts 06075010100 – 06075990100.

Pursuant to Articles 2 and 3 of the Commission’s Rules of Practice and Procedure, Tel-One Network Services, Inc. submits the following information in support of its Application to operate as a “Telephone Corporation” (as defined by Public Utilities Code § 234):

**1. Name of Applicant [Rule 2.1(a)]**

Applicant’s exact legal name is TEL-ONE NETWORK SERVICES, INC. The applicant, Tel-One Network Services, Inc. has not operated under any fictitious business names. The Applicant is a California Corporation (Type C) doing business as:

Tel-One Network Services, Inc.  
286 12th Street  
San Francisco, Ca 94103  
Telephone: (415) 688-2289

The President of the Tel-One Network Services, Inc. is Aaron Woolfson.

Mr. Woolfson may be reached at (415) 688-2289.

The Tel-One Network Services, Inc. website is [www.tel-one.net](http://www.tel-one.net).

## **2. Correspondence or Communications [Rule 2.1(b)]**

Correspondence or other communications regarding this Application should be addressed to counsel for Tel-One Network Services, Inc.:

Law Office of Joshua Ridless  
500 Washington St #700  
San Francisco, CA 94111  
Phone (415) 614-2600  
Email: jr@ridlesslaw.com

With copies to:

Aaron Woolfson, President  
Tel-One Network Services, Inc.  
286 12th Street  
San Francisco, Ca 94103  
Phone: (415) 688-2289

Notices, orders and other papers may be served upon these persons, and such service shall be deemed to be service upon the Applicant. Commission staff should contact these persons to resolve customer complaints.

## **3. Description of the Service [Rule 3.1(e) and D.13-05-035]**

Tel-One Network Services, Inc. proposes to offer affordable high-speed broadband (50 megabit and higher) internet services to residential and commercial customers located within the City and County of San Francisco, California. Specifically, Tel-One Network Services, Inc. desires to provide the following services:

- a) Broadband delivered to residential and commercial subscribers using fiber optic cabling that is either (i) leased from other companies, or (ii) placed within existing right-of-way and/or conduits that are leased from other companies;
- b) Wired broadband delivered to residential and commercial subscribers using HDLC (“High-level Data Link Control”) protocol over traditional copper cabling. (Typically used within a building to deliver INTRA-building internet services) utilizing existing in-building (riser) facilities.

- c) Broadband delivered to residential and commercial subscribers using low power point-to-point microwave communication facilities using FCC-approved spread-spectrum technologies.

The Commission may issue a C.P.C.N. upon the applicant's declaration that it is a "Telephone Corporation" and upon its' finding that the intended service offering brings it within the Commission's Jurisdiction.<sup>1</sup> Tel-One Network Services, Inc. does intend to operate as a "Telephone Corporation" pending issuance of a C.P.C.N. because it will be providing internet facilities that require interconnection with the Public Switched Telephone Network for delivery of Internet Protocol to customers via Fiber Optic Networks. Therefore, it is eligible to receive a C.P.C.N.<sup>2</sup>

### **Description of Network**

To provide services to customers, Tel-One Network Services, Inc. intends upon leasing existing infrastructure from other carriers to deliver high speed (50 megabit and above) internet to customers using fiber optic connections, augmenting the optical service with point-to-point wireless transmission of Internet Protocol using fixed-LTE and/or point-to-point spread spectrum technologies.

### **Commission Jurisdiction and Tel-One's eligibility to receive C.P.C.N.**

Tel-One Network Services, Inc. has determined that it is necessary to obtain a Certificate to operate as a Competitive Local Carrier ("CLC") for two reasons. First, Tel-One intends to install its fiber optics within currently existing infrastructure such as utility poles and conduit, but will also build out its own infrastructure if there are no reasonably available options to use existing infrastructure. In other words, the issuance of a C.P.C.N. will allow Tel-One Network Services to access facilities that are within the public rights-of-way. Secondly, there are interconnection and transport agreements with companies such as AT&T that can only be negotiated by those companies who are C.P.C.N. Therefore, Tel-One Network Services, Inc. requires a CLEC certificate to operate as a CLC in order to enter into those respective interconnection agreements.

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<sup>1</sup> D.15-05-028, In the Matter of the Application of Bright Fiber Network, LLC for a Certificate of Public Convenience and Necessity to Provide Full Facilities Based and Competitive Local Exchange Access and Interexchange Services within California and specifically, within Nevada County, at 6 (May 12, 2015).

<sup>2</sup> A telephone corporation is defined as "every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state."

Tel-One acknowledges that it must abide by the Commission's rules, including those regarding posting of service information on its' website and compliance with all applicable consumer protection rules.

**4. Articles of Incorporation and Certificate of Good Standing [Rule 2.2]**

Tel-One Network Services, Inc.'s Articles of Organization were filed with the State of California on March 30, 2016. The Articles of Incorporation and a current Certificate of Good Standing from the Secretary of State of California are provided. **(EXHIBIT B, C).**

**5. Description of Proposed Construction [Rule 3.1(a)]**

Tel-One Network Services, Inc. intends to install some limited facilities, such as fiber optic cable and related Customer-Premises-Equipment ("CPE") primarily in existing conduits and in existing buildings risers. However, Tel-One may need to undertake outside plant construction where no existing conduits are available, or the existing conduits are inadequate for running fiber. Such activities may include minimal installation of underground conduit and/or installation of facilities such as utility poles. The Applicant expects however that any such projects would categorically fall under exemptions of CEQA due to the limited scope and nature.<sup>3</sup> Tel-One does not anticipate conducting any major construction. Tel-One attests that it will follow the rules and procedures set forth by the Energy Division of the Commission, including the required CEQA review process related to any construction project that necessitates a CEQA review.

In summary, Tel-One Network Services respectfully submits that many of its projects will be similar to those undertaken by other carriers that the Commission has ruled are categorically exempt from CEQA<sup>4</sup>. The Commission has found that boring and installation of new conduit in an existing right-of-way and installation of fiber cables on existing poles meets exemptions under CEQA<sup>5</sup>. Therefore, Tel-One need not request CEQA exemption review for these particular activities.

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<sup>3</sup> Available exemptions may include construction projects involving existing facilities (CEQA Guidelines Section 15301), replacement or reconstruction (CEQA Guidelines Section 15302), new construction or conversion of small structures (CEQA Guidelines Section 15303), and construction under other available exemptions.

<sup>4</sup> D.06-04-063.(ClearLinx Network Corporation); D.06-04-067 (CA-CLEC-LLC.)

<sup>5</sup> D.08-12-017 (Zephyr).

The Applicant cannot at this time identify specific locations of construction, Tel-One Network Services, Inc. respectfully requests the grant of full facilities-based construction authority, subject to compliance with the same expedited 21-day environmental review process that has been adopted by for similarly situated carriers.<sup>6, 7</sup>

**6. California Environmental Quality Act (CEQA) Compliance [Rule 2.4]**

Pursuant to Rule 2.4(b) of the Commission's Rules of Practice and Procedure, a copy of Tel-One Network Services, Inc.'s proposed CEQA (California Environment Quality Act) process (as described in D.13-07-032) is attached as **EXHIBIT F**.

**7. Notice to Competitors [Rule 3.1(b)]**

Tel-One Network Services, Inc. will provide competitive local service in competition with those other providers authorized by this Commission to provide similar services. Tel-One notes that pursuant to D.97-06-107, issued in Commission Proceeding R.94-02-003/I.94-02-004, CLCs no longer are required to comply with Rule 3.1(b) (formerly Rule 18 (b) and General Order 96-A, subsections (G)(1) and (2). Consequently, Tel-One has not mailed its application to every potential competitor. Tel-One Network Services, Inc. will provide a copy of its application upon request to any potential competitor. Additionally, competitors will be able to obtain this filing via the Commission's web site.

**8. Areas of Service [Rule 3.1(c)]**

The Tel-One Network Services, Inc. approximate boundary of our initial service area will be the City and County of San Francisco, as defined by the U.S. Census Bureau Tracts 06075010100 – 06075990100. A map illustrating the proposed service area is included as **EXHIBIT G**.

**9. Identification of Required Franchise and Health and Safety Permits [Rule 3.1(d)]**

Tel-One Network Services, Inc. is not aware of nor does it anticipate it will be subject to any health and safety permits required to provide High-Speed Fiber-Optic-Based Broadband Services. If such permits are required, Tel-One Network Services, Inc. will obtain them from the appropriate city or county agencies. Tel-One Network Services, Inc. will abide by all applicable local permitting requirements in carrying out any construction activities (if any) that it will be undertaking in connection with this application and/or authorized by the Commission. As a

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<sup>6</sup> See, D.13-07-032, which granted full-facilities-based authority to Vortex Communications Corporation;

<sup>7</sup> Available exemptions may include construction projects involving existing facilities (CEQA Guidelines Section 15301), replacement or reconstruction (CEQA Guidelines Section 15302), new construction or conversion of small structures (CEQA Guidelines Section 15303), and construction under other available exemptions.

Commission certified public utility, no municipal franchises are necessary (see Public Utilities Code Section 7901.)

**10. Facts Showing Public Convenience and Necessity [Rule 3.1(e)]**

Tel-One Network Services, Inc. submits the statement in support of its own belief that it is in the best interest of the Public that it be allowed to operate as a Telephone Corporation, and be granted a Certificate of Public Convenience and Necessity (“C.P.C.N.”):

The Commission’s approval of this (instant) application will affirm the principle of competition in the telecommunication market by enabling Tel-One to provide higher speed Internet Service at a lower price, which will:

- a) Enable consumers to connect to the internet at higher speeds;
- b) Will further incentivize competitive interests by allowing us to offer a higher-speed, lower cost service; and
- c) Will facilitate a higher degree of access to individuals who may otherwise be unable to obtain high-speed broadband internet services because they are in underserved or non-served markets; and
- d) Making more efficient use of existing communications infrastructure; and
- e) Expansion jobs in the City and County of San Francisco through employment of local staff; and
- f) Increasing broadband diversification and reliability in the supply of internet.

The Applicant also asserts that approval of this application will serve the public interest by having another choice for High-Speed Fiber-Optic-Based Broadband Service fits together with the California Emerging Technology Fund (“CETF”) stated goal to “reach 98% of all residences with broadband infrastructure and to achieve 80% home adoption by 2017”<sup>8</sup> Tel-One believes that it can provide high speed broadband services efficiently and economically to the residential and business subscribers of San Francisco. Attached to this application as **EXHIBIT H** is a description of Tel-One’s intended service offering.

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<sup>8</sup> California Emerging Technology Fund Calls for National Policy on Affordable Broadband Rate  
[http://www.cetfund.org/files/Field%20Poll-CETF%20Survey%20Results%20and%20Press%20Releases\\_0.pdf](http://www.cetfund.org/files/Field%20Poll-CETF%20Survey%20Results%20and%20Press%20Releases_0.pdf)

**11. Estimated Cost of Construction, Annual Fixed and Operating Costs and Economic Feasibility [Rule 3.1(f)]**

Tel-One Network Services, Inc. does not current have any specific construction plans and therefore cannot provide an estimate of construction costs. Any minimal construction activities undertaken by Tel-One Network Services, Inc. will be self-funded through financing procured through ongoing operations.

**12. Financial Statements and the Ability to Finance [Rules 3.1(g) and 2.3]**

Tel-One Network Services, Inc. is financially qualified to offer the telecommunications services for the authority sought. Financial Statements are attached as **EXHIBIT D**. Tel-One Network Services, Inc. maintains line of credit for \$60,000 from its bank and an additional \$250,000 line-of-credit from its principals. Tel-One Network Services, Inc. have been informed by the providers that it intends to use (Cogent Communications, Utility Telephone, and others) that it has sufficient credit worthiness to not require deposits for services, and it believes that it meets the financial qualifications set forth in the Initial Rules for Competitive Local Exchange Carriers issued in D.95-07-054 and D.96-02-072 and Rule 3.1(g) of the Rules of Practice and Procedure.

**13. Proposed Rates [Rule 3.1(b)]**

Tel-One seeks waiver from filing tariff for Broadband Internet services because it desires to offer services on a non-tariffed basis pursuant to GO 96-B (Industry Rule 5).<sup>9</sup> Applicant will offer its service on a non-discriminatory basis and at competitive rates on an individual case-by-case ("ICB") basis. Applicant will provide information regarding the rates, terms, and conditions of its services on its website, [www.tel-one.net](http://www.tel-one.net).

Applicant will comply with the Commission's consumer protection rules adopted in D.98-08-031 and it will collect and remit all applicable end-user surcharges and fees.

**14. General Order 104-A Statement [Rule 3.1(i)]**

Tel-One Network Services, Inc. is not a publicly traded company, and has no proxy statements, 10-Ks or annual reports to provide. Further, Tel-One Network Services, Inc. states that none of its officers, directors, or stockholders, whether record or beneficial owners of stock, have a material financial interest (as that term is defined in G.O. 104-A §2) in any transaction involving

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<sup>9</sup> Commission granted a C.P.C.N. to Webpass Telecommunications, LLC in connection with its' tariff-less application that was submitted 03-10-2014. We desire to follow this same model.



the purchase of materials or equipment, or the contracting, arranging or paying for construction, maintenance, or service for or on behalf of Applicant.

**15. Expected Customer Base [Rule 3.1(j)]**

Tel-One estimates that it will serve between 100 and 200 customers in the first year of operation, and will add approximately 250 customers per year thereafter.

**16. Managerial and Technical Competence**

Tel-One Network Services, Inc. has the managerial and technical qualifications necessary to provide the proposed services in its service territory. Tel-One Network Services, Inc.'s president Aaron Woolfson has been involved in Telecommunications industry since 1994 – as both a principal of a former C.P.C.N. holder (TelSwitch, Inc.) and as a testifying expert. Mr. Woolfson has served as a consultant to various “Telephone Corporations” including C.P.C.N. holders Utility Telephone, ANPI/Zone, Verizon, and Cogent Communications. Mr. Woolfson is recognized by several Federal and State courts as a testifying expert. Attached to this application is Mr. Woolfson's Curriculum Vitae. **(EXHIBIT I)**

**17. Request for Exemptions**

Applicant requests that it be accorded the same streamlined regulatory treatment previously accorded to other Telephone Corporation as a non-dominant interexchange carrier as set forth in D.96-02-075 and as adopted by NDIECs, including the following:

- (a) The Applicant seeks exemption from the provisions of PU Code Section 816-830 (pertaining to the issuance of stocks and securities) and PU Code Section 851 (pertaining to the transfer or encumbrance of utility assets when such transfer or encumbrance is for the purpose of securing debt). The Commission has previously concluded that NDIECs should be exempt from the provisions and requirements of PU Code Sections 816-830 and 851 (insofar as these sections pertain to the issuance of securities and transfer or encumbrance of utility property for purposes of securing debt) in D.85-07-081, D.85-11-044 and D.86-08-057, as confirmed by D.90-09-032. This exemption was extended to CLCs in D.96-02-072, Ordering Paragraph 18.
- (b) The applicant may further request that it be exempted from any requirement to maintain its books and records in accordance with the Uniform System of Accounts specified in Title 47 I.E. Part 32 consistent with D.99-02-038, which relieved CLCs that are not part

of an incumbent local exchange carrier (ILEC) corporate entity from the requirement to keep their books of account in conformance with the Uniform System of Accounts.

**18. Demonstration of Compliance with Commission Rules:**

Attached this Application is a schedule listing Tel-One Network Services, Inc.'s compliance with the requirements of the Commission's Rules governing issuance of C.P.C.N.'s. **(EXHIBIT A)**

**19. Continuous Performance Bond (D.13-05-035)**

D. 13-05-035 requires new and existing C.P.C.N. holders to submit a continuous performance bond in the amount of \$25,000 issued by a corporate surety company authorized to transact surety business in California with the Commission listed as an obligee on the bond.

Tel-One Network Services, Inc. maintains a continuous surety bond from The Hartford listing beneficiary California Public Utilities Commission as the beneficiary the amount of \$25,000.

**(EXHIBIT E)** Tel-One Network Services, Inc. will send an original copy of the surety bond to the Director of Telecom division within 5 days of issuance of a C.P.C.N.

**20. SB 960 Compliance – Scoping Memorandum Information [Rule 2.1(c)]**

Tel-One Network Services, Inc. respectfully submits that its' Application for resale and limited facilities-based authority will serve the public interest and is non-controversial. Therefore, Tel-One Network Services, Inc. is submitting a Motion for Expedited Treatment contemporaneously with this registration application. In accordance with the Commission's Rules, Tel-One Network Services, Inc. provides the following information:

- a) **Proposed Category:** This Application should be categorized as rate setting in accordance with Rule 7.1(e)(2) as it does not clearly fit into the categories defined in Rules 1.3 (a), (d), or (e).
- b) **Need for hearing:** No hearings are necessary to address the matters in this Application as it is non-controversial and does not raise any material issues of fact.
- c) **Issues to be considered:** Whether Tel-One Network Services, Inc. is qualified to provide resold and limited facilities-based broadband Internet services to customers within California – in specific within the City and County of San Francisco.

**d) Proposed Schedule:**

Tel-One Network Services, Inc. proposes the following schedule:

Application filed: August 16, 2016

Protests due: 30 days after appearance of Application on  
Commission Daily Calendar.

Final Decision: Adopted 90 days after submission.

**CONCLUSION**

WHEREFORE, Tel-One Network Services, Inc. respectfully requests that the Commission enter an Order granting this Application on an expedited basis, thereby conferring on Tel-One Network Services, Inc.'s authority to provide resold and limited facilities-based Broadband Internet Services to customers within the State of California.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed this 16<sup>th</sup> day of August 2016 in Oakland, California.

Respectfully submitted,



Aaron Woolfson, President  
Tel-One Network Services, Inc.  
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San Francisco, Ca 94103  
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## Scoping Memo Information for (New) Applications

(Rule 2.1(c), Rule 1.3 and Article 7)

### A. Category <sup>1</sup> (Check the category that is most appropriate)

☐ **Adjudicatory** - “Adjudicatory” proceedings are: (1) enforcement investigations into possible violations of any provision of statutory law or order or rule of the Commission; and (2) complaints against regulated entities, including those complaints that challenge the accuracy of a bill, but excluding those complaints that challenge the reasonableness of rates or charges, past, present, or future.

☒ **Ratesetting** – “Ratesetting” proceedings are proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities). “Ratesetting” proceedings include complaints that challenge the reasonableness of rates or charges, past, present, or future. Other proceedings may also be categorized as ratesetting when they do not clearly fit into one category.

☐ **Quasi-Legislative** – “Quasi-Legislative” proceedings are proceedings that establish policy or rules (including generic ratemaking policy or rules) affecting a class of regulated entities, including those proceedings in which the Commission investigates rates or practices for an entire regulated industry or class of entities within the industry.

### B. Are Hearings Necessary? ☐ Yes ☒ No

If “yes,” identify the material disputed factual issues on which hearings should be held, and the general nature of the evidence to be introduced

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<sup>1</sup> See, California Public Utilities Commission Rules of Practice and Procedure, Rule 2.1(c), Rule 1.3 and Article 7. (<http://www.cpuc.ca.gov/PUC/Practitioner/Library.htm>) Rev. June 2013


Are Public Witness Hearings Necessary? ☐ Yes ☒ No

Public witness hearings are set up for the purpose of getting input from the general public and any entity that will not be a party to the proceeding. Such input usually involves presenting written or oral statements to the presiding officer, not sworn testimony. Public witness statements are not subject to cross-examination.

**C. Issues**—List here the specific issues that need to be addressed in the proceeding.

**D. Schedule** (Even if you checked “No” in **B.**, above) Should the Commission decide to hold hearings, indicate here the proposed schedule for completing the proceeding within 12 months (if categorized as “Adjudicatory”) or 18 months (if categorized as “Ratesetting” or “Quasi-Legislative”).

The schedule should include proposed dates for the following events as needed:

**ASAP**  
  
Prehearing Conference  
Hearings  
Briefs due  
Submission  
Proposed Decision (90 days after submission)  
Final Decision (60 days after proposed decision is mailed)

**Docket Office Note:** *The above information should be set forth either in the text of the application or, if this form is used, it should be inserted into the application packet after the signature(s) of the filer, but immediately prior to the commencement of any exhibits.*

End of Scoping Memo Information for (New) Applications Doc 344905 Access